



MINISTER FOR TOURISM; RACING AND GAMING; SMALL BUSINESS; DEFENCE ISSUES; CITIZENSHIP AND MULTICULTURAL INTERESTS

Our ref: 70-06744

NON- CONFIDENTIAL PUBLIC VERSION OF SUBMISSION

As the Australian Competition and Consumer Commission is aware, Western Australia is now the only State in which the totalisator licence has not been sold to the private sector.

Racing and Wagering Western Australia (RWVA) is the controlling statutory authority for thoroughbred, harness and greyhound racing in Western Australia and operated the exclusive totalisator and retails wagering licence in Western Australia.

RWVA Background:

- (a) in 2015/2016 returned over **[CONFIDENTIAL INFORMATION DELETED]** million to the Western Australian racing industry by way of distributions, grants and subsidies;
- (b) is required to distribute approximately 25% of its revenues from totalisator and fixed odds wagering on sporting events (after paying dividends and winnings on the wagers and wagering tax) into a government sports account for distribution to Western Australian sports. In total, during the period from 2012/13 to 2015/16, RWVA paid approximately **[CONFIDENTIAL INFORMATION DELETED]** into this account;
- (c) contributes to the Western Australian economy through payment of taxes. It is required to pay a 'betting tax' to the Western Australian government at the rates of:
 - (i) 11.91% of its margin from pari-mutuel wagering on racing;
 - (ii) 5.0% of its turnover from pari-mutuel wagering on sports;
 - (iii) 0.5% of turnover from fixed odds wagering on sport; and
 - (iv) 2.0 % of turnover from fixed odds wagering on racing;
- (d) in 2015/16, paid approximately **[CONFIDENTIAL INFORMATION DELETED]** million in betting tax and a further approximately **[CONFIDENTIAL INFORMATION DELETED]** million in GST; and

In 2014/15 the Western Australia racing industry generated direct expenditure of \$682.3M in the Western Australian economy which was responsible for creating a direct value added impact, through wages, salaries and profits, of \$329.3M.

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When the flow-on effects linked to this expenditure are considered, the industry's value-added contribution to the Western Australian economy exceeds more \$821M, 39% of which occurs outside the Perth metropolitan region.

The Western Australian racing industry is also responsible for sustaining more than 7,360 full time equivalent jobs in the State and more than 24,400 people participate in racing as either an employee, participant or volunteer.

Securing a strong racing industry in Western Australia is a priority for the Government on economic and social inclusion grounds. The ongoing arrangements are vital to RWWA's ability to secure the viability of the Western Australian racing industry.

The 2012 Agreement has permitted RWWA to compete effectively against larger fixed odds wagering operators because of the costs savings and economies of scale achieved. This competitive performance has allowed RWWA to maintain its revenue and thus support to racing and sports in Western Australia to an extent that would not otherwise have been possible in the past 5 years.

The Government is not aware of any public detriment that has arisen from these arrangements and fully supports the application for re-authorisation.